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ON PAGE 14

NEW YORK TIMES
31 OCTOBER 1981

Revisions Urged for C.I.A. Plan

WASHINGTON, Oct. 30 (AP) — The chairman of the House Permanent Select Committee on Intelligence urged the Reagan Administration today to revise a draft order and deny the Central Intelligence Agency authority to infiltrate and influence domestic groups.

"The agency is best served if it cannot be asked to conduct intelligence activities which raise the specter of domestic intelligence gathering," Representative Edward P. Boland, Democrat of Massachusetts, said in a letter to Bobby R. Inman, Deputy Director of Central Intelligence.

Mr. Boland's recommendations followed suggestions by the Senate Select Committee on Intelligence that the draft order retain former President Carter's nearly complete ban on domestic spying by the agency.

The Senate committee, Congressional aides said, forwarded its recommendations today, along with a second set of proposed revisions approved by eight committee members and separate views by individual Senators.

Carter Ban Preferred

Mr. Boland suggested that the order not change the Carter order in granting the Federal Bureau of Investigation nearly total authority to infiltrate domestic groups.

He also recommended that the order:

1 Permit the agency to collect foreign intelligence in the United States only if it were deemed "essential" and were obtained through interviews.

2 Limit the agency's information gathering in the United States to acquiring enough evidence to decide if a matter should be referred to a law-enforcement agency.

3 Allow the agency to collect domestic intelligence to protect its sources and methods only if the investigations are



United Press International

Representative Edward P. Boland

directed at present or former employees, contractors or applicants for employment.

Mr. Boland noted that he was concerned that "changes in C.I.A. authorities made by the draft order may lead to less cooperation with the F.B.I. on intelligence matters in this country."

A Congressional aide said the House committee was unable to agree on what changes should be made in the draft order, prompting Mr. Boland to write the letter on his own.

Although Mr. Reagan can issue the presidential order on his own, Administration officials have said they would take into account Congressional advice.

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ARTICLE APPEARED
ON PAGE A4THE WASHINGTON POST
31 October 1981

Boland Urges CIA to Draft Stricter Domestic Spy Rules

By George Lardner Jr.
Washington Post Staff Writer

House Intelligence Committee Chairman Edward P. Boland (D-Mass.) urged the CIA yesterday to draft stricter restrictions on any domestic covert actions it plans and to step back from other proposals that would enable it to spy on Americans.

Boland said that unless the changes are made the Reagan administration's proposed executive order for intelligence activities would empower the CIA to conduct operations in the United States "from which it has been restricted by longstanding tradition and policy."

In a letter to Adm. Bobby R. Inman, the CIA's deputy director, Boland said he and other committee members also are concerned that the proposed order increasing the CIA's powers could "lead to less cooperation with the FBI on intelligence matters in this country."

Republicans on the panel took a different view. A spokesman for the GOP members said they intend to send a letter to President Reagan early next week supporting the proposed order as it stands. The draft order under consideration is the third that has been prepared for Reagan since he took office.

"Many members of the House would prefer a greater relaxation" of restrictions on the CIA, the GOP members' spokesman said. Those members, he said, feel that "the current proposal represents a reasonable compromise."

Boland, however, maintained that the CIA would be "best served if it cannot be asked to conduct intelligence activities which raise the specter of domestic intelligence-gathering."

In addition to tight restrictions on domestic covert operations, he urged the abandoning of proposals to let the CIA infiltrate and influence domestic organizations and the retention of other limits on the agency's authority to spy on unsuspecting Americans.

The changes Boland recommended go well beyond the Senate Intelligence Committee's public, and bipartisan, stand against CIA infiltration and influencing of domestic organizations. But eight or nine of the senators, including some Republicans, are said to be communicating with Reagan individually about other limits.

CIA officials reportedly have said they want to carry out domestic covert actions in a narrow and specific field now within the FBI's province. But the proposed authority the draft order would give the CIA is, on paper, much broader.

Under current rules, promulgated by President Carter in 1978, covert actions can only be conducted abroad. Such actions are defined as operations planned and executed so that the U.S. role is not apparent or acknowledged publicly.

The draft order would allow the CIA to carry out such activities anywhere in the United States as long as they support "objectives abroad" and are "not intended to influence" U.S. politics or public opinion.

In a detailed memo not made public, Boland said he strongly urged that any domestic covert action be "strictly restricted in scope, be approved by the president and be reported to the Intelligence committees, as are covert operations overseas."

Boland also recommended that the White House maintain current restrictions on infiltration of domestic organizations. They had been at their tightest under President Ford, who had imposed an absolute prohibition on any undisclosed participation of a purely domestic organization for the purpose of reporting on or influencing its activities.

Carter changed the rules to permit CIA infiltration for such purposes as establishing cover and recruiting, but he kept the ban on efforts to influence a group's activities. The Reagan draft would lift that ban and permit infiltration for any "lawful purposes."

The draft order also would lift many existing restrictions on the extent of CIA spying on unsuspecting Americans and allow the agency, for example, to collect "information relevant to the safety of any persons"

Recommending changes in this area as well, Boland said he had three basic goals in mind:

- Maintaining the basic distinction whereby the CIA operates overseas and the FBI operates in this country.

- Laying down clear restrictions on CIA domestic operations "so as to prevent political misuse of the CIA."

- Encouraging cooperation between the CIA and the FBI instead of "separate and independent operations."

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WILMINGTON SUNDAY JOURNAL (DE)
25 OCTOBER 1981

Some senators calling of CIA's Casey 'whitewash'

By JOE TRENTO
Staff reporter

WASHINGTON — The Senate Intelligence Committee probe of the financial history of CIA Director William J. Casey is being described by some members of that committee as "a whitewash."

Senators of both parties attending the closed meetings say no startling revelations about the 68-year-old spy chief's business dealings have turned up.

However, two key committee members say preliminary findings presented to the senators in closed session Thursday convinced them that important leads were not followed and probes have not pressed Casey to provide explanations for omissions in his testimony about his business dealings.

But both senators conceded that no new evidence has come before the committee that would justify asking Casey to step down.

Other senators at the meeting say there was a feeling that the case had to be closed.

The senators asked not to be identified because Senate rules prohibit their revealing what went on at a closed session.

One Eastern Republican said of the probe: "You are never going to totally unravel this mess . . . but we have other pressing business."

Though Chairman Barry M. Goldwater, R-Ariz., has said that "only loose ends" remain in the probe, which might take another month to complete, others on the committee expressed dissatisfaction with the direction of Majority Counsel Fred R. Thompson.

Committee spokesman Spencer Davis defended the probe, saying, "I wouldn't call this a whitewash. I don't think we would want to have reporters turn up new material we had not found. I think they are trying to be careful."

But several senators on the committee paint a far different picture. They say the aging Goldwater, suffering constant leg pains, wants the Casey probe stopped because he fears that the country would be the loser in any fight over Casey's business ethics.

Goldwater has told these members of the committee that if the Casey probe heats up again: "We will lose the one intelligence professional we trust in this crowd."

He is referring to Deputy CIA Director Bobby Ray Inman, who has strong support across the political spectrum.

Goldwater has, he told some of his colleagues, "absolute faith" that if the intelligence committee goes after Casey, Inman, now the No. 2 spymaster, will not replace Casey, but would himself be replaced.

These senators say they were told in no uncertain terms last August that unless the committee laid off Casey that Inman would be replaced.

According to these senators, Goldwater is privately telling them that Inman is an intelligence professional that the country cannot afford to lose in a bloody political fight.

According to other committee sources Inman has also been the only intelligence official cool to two CIA proposals. The first, a secret plan involving the Middle East, was proposed in the spring. Sen. Joseph R. Biden Jr., D-Del., who would not provide any details of the plan said only: "It was so outrageous that we

told Casey and Max Hugel to rethink it. They did and it was dropped."

Another senator said that Inman had effectively convinced Casey and Hugel that the plan, involving a violent covert action mission, was madness and should not be attempted.

Inman is also credited with urging Casey and the Reagan White House to go easy on proposals to end restrictions on CIA clandestine operations both in and out of the country.

Hugel resigned in July as head of the clandestine services of the CIA after the Washington Post printed a damaging interview with two of his former business associates. Casey became the target of critical comment after the Hugel flap and when the News-Journal newspapers revealed that his business partner in a failed venture had become associated with organized crime figures and had been made a federal witness.

Both Biden and Sen. William V. Roth, R-Del., called for Casey's resignation after news accounts of his business dealings appeared.

SCIENCE NEWS
17 October 1981

STATINTL

KEEPING SECRETS SECRET

PUBLIC RESEARCH IN CRYPTOLOGY
CONFLICTS WITH
GOVERNMENTAL CONCERNS ABOUT
NATIONAL SECURITY

BY IVARS PETERSON

Imagine a network of filing cabinets, connected by subterranean tunnels through which agents can crawl freely. The agents can copy or alter anything they want from any of the files without leaving signs of their intrusion. An analogous situation is developing as tens of thousands of computers connect businesses, corporations and banks in giant webs. Magnetic memories and the invisible flow of electrons are rapidly replacing paper and ink.

It is possible to wiretap a data transmission line with only \$1,000 worth of equipment bought at a computer store. By examining the signals he picks up, a wire-tapper often can break the simple code that tells a receiving bank, for example, that the message is authentic. Then he can program his personal computer to mix fraudulent messages with legitimate fund transfers.

The growing use of computers in communications networks has raised questions of ensuring privacy and security. How can a bank know that a computerized fund-transfer request is legitimate? How can a utility prevent terrorists from tapping into computer lines that control electrical power systems and from causing blackouts? How can two people communicating by electronic mail be sure no one is intercepting their messages? How is it possible to protect the vast quantities of private information, such as credit records and medical histories, now stored in computer data banks?

The solution to some of these problems lies in the use of sufficiently strong codes so that only authorized persons can decipher them. This idea has attracted first-

rate mathematicians and computer scientists to cryptology, the study of the enciphering and deciphering of secret messages.

In the past, cryptology was a government monopoly. Now the monopoly is crumbling in the face of a broad, economically motivated interest in cryptology outside government. The low cost of electronic equipment, the growing scientific and technical expertise and the increased need for coding have combined to produce a strong market for encryption devices and "unbreakable" codes.

The guardian of governmental and military interests in cryptology is the National Security Agency (NSA), one of the most secret of federal agencies. The NSA's job is to preserve the security of U.S. communications by devising the codes that protect the country's secrets while gathering intelligence by monitoring the communications of foreign governments. The NSA has probably the world's largest reservoir of expertise in codes and communications security.

In January 1979, Vice Admiral Bobby R. Inman, NSA director at the time, expressed NSA's concern about nongovernmental research in cryptology. He said, "I believe that there are serious dangers to our broad national interests associated with uncontrolled dissemination of cryptologic information within the United States."

The NSA has two fears: First, published research results may reveal to certain countries that their codes are insecure and lead them to change their codes to ones the NSA can't break; second, scholars may publish instructions enabling anyone

to make unbreakable codes, which would greatly inhibit the NSA's intelligence-gathering function.

In the last few years, the NSA has made several attempts to control and restrict nongovernmental research in cryptology. This is where the conflict between public and national interest arises most directly.

The NSA's and the government's efforts to control information raises vexing questions concerning individual freedom and governmental controls. Most of the legal and constitutional issues are still unresolved.

Businesses and the public are interested in a secure, private computer communications network. Scientists want the freedom to do research and publish their results. The government must protect the national interest and maintain national security. This web of conflicting interests pits First Amendment rights against national security needs. Even examining the question raises the paradox of seeking a public resolution of a matter that deals with secrets.

When the National Bureau of Standards and IBM developed a "data encryption standard," a coding system for civilian and commercial use, the NSA—as adviser on the project—persuaded the NBS to weaken part of the system. Critics claim this cipher was made just strong enough to withstand commercial attempts to break it, but weak enough to yield to NSA computers.

The thumbnail-size cipher machine, itself a tiny computer, became the official Data Encryption Standard (DES) in 1977.

RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20015 656-4068

STATINTL

FOR PUBLIC AFFAIRS STAFF

PROGRAM ABC World News Tonight STATION WJLA TV
ABC Network

DATE October 16, 1981 7:00 PM CITY Washington, DC

SUBJECT Intelligence on Egypt's Stability

CARL BERNSTEIN: ABC News has learned that US intelligence officials have concluded that disaffection in the Egyptian military was and continues to be far more pervasive than previously believed by the United States or Egypt.

Moreover, the Egyptian government's stability from Islamic fundamentalists reached deep into almost every element of the country's society.

These are the central conclusions of a highly secret study, described in detail to ABC News, that is being conducted by the combined agencies of the American intelligence community. The study tentatively concludes that the assassination of President Anwar Sadat was neither planned nor sponsored by Libya or any other positive news in a generally bleak assessment.

According to these working on the report, it also contains these conclusions: There was a critical failure of American intelligence to perceive the depth and intensity of threats to Sadat's rule, a failure similar to that which occurred in Iran before the Shah's fall.

Given the breakdown of Egyptian security during the assassination, it appears likely that the plot extended beyond the four men taken into custody. The conclusion by Egyptian authorities that a small, extremist Moslem sect was primarily responsible was probably correct.

Already, this intelligence assessment is becoming the basis of American policy and of advice to President Sadat's successor, Hosni Mubarak. The US will provide military assistance to Egypt to deal with any external threats, but it will not

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FOR PUBLIC AFFAIRS STAFF

PROGRAM Capitol Cloakroom STATION WTOP Radio
CBS Network

DATE October 11, 1981 10:05 PM CITY Washington, DC

SUBJECT Rep. Hamilton Comments on CIA Operations

ANNOUNCER: This week's guest is Representative Lee Hamilton, Democrat of Indiana. He meets with CBS News correspondents Susan Spencer, Eric Engberg, and Bill Lynch.

* * *

Q: Congressman Hamilton, among your other chores on the Hill, you sit on the Select Committee on Intelligence in the House. The Reagan Administration is proposing an executive order that according to some reports, at least, would severely weaken some of the controls on the Central Intelligence Agency's domestic operations. I wonder if you've had a chance to explore those and have any thoughts on them.

REP. LEE HAMILTON: I really have not had a chance to explore them. The executive order was just submitted to us yesterday. Admiral Inman is to come to testify before us in a day or two. And I'd prefer to wait until I've had an opportunity to hear from him on it.

Q: Do you have any concerns in that area?

REP. HAMILTON: Sure, I have some concerns about it. I have a great deal of concern about the involvement of the Central Intelligence Agency in domestic matters. And I am not kindly disposed towards the presence or activity of the CIA in those kinds of actions. But I want to try to maintain an open mind on it until I've seen what the changes are.

Q: Do you see a lack of sensitivity on the part of this Administration to the kinds of abuses that have gone on in the past?

STATINTL

Bill Provides \$87 Million For Language Education

By Charles R. Babcock
Washington Post Staff Writer

Bucking the budget-austerity tide, a House education subcommittee has unanimously reported out a bill to create a new \$87 million-a-year federal program to encourage the teaching of foreign languages in schools and colleges.

Rep. Paul Simon (D-Ill.), chairman of the post-secondary education subcommittee, said he believes the program is necessary to aid the defense and intelligence communities and the United States' position in international trade after years of declining enrollment in language programs.

"Where there is a national need, we have to meet it," he said in an interview from his district office.

Secretary of Education Terrel H. Bell has been a supporter of efforts to strengthen the foreign-language capabilities of students. But, in a letter to the subcommittee, he said the administration opposes the bill because of "budgetary constraints" and philosophical disagreement about creating new categorical programs in an age of block grants.

The bill would provide \$10 million to states for model foreign-language programs in local school districts, \$4 million for such programs in junior and community colleges, \$13 million for universities to encourage increased enrollment and \$60 million for colleges with foreign-language requirements for admission and graduation.

Colleges, for instance, would receive \$30 for each student enrolled in first- and second-year language

courses after the school's language registrations amounted to 5 percent of the total enrollment. The school would receive \$40 for each student enrolled in more advanced classes.

The same \$30-a-head system also would apply to colleges requiring two years of high school language for admission and a two-year college proficiency for graduation.

During hearings in July, the subcommittee heard witnesses bemoan the nation's foreign-language record. Adm. Bobby R. Inman, deputy director of the CIA, said the nation's "rapidly deteriorating" foreign-language capability was having "an adverse impact" on intelligence.

"We are especially vulnerable when it comes to the more exotic languages, such as Urdu, Arabic and Farsi," Inman testified.

Simon has written a book about the problem—"The Tongue-Tied American"—and admits he is among those deficient in foreign languages. He said that the United States is the only nation that does not require some foreign language for college graduation, and that fewer than 1 percent of the nation's 12 million college students are studying languages spoken by three-quarters of the world's population.

Simon acknowledged that he hopes to win support for the bill by focusing on its potential to aid national security.

In his letter of opposition, Bell said he thought it unrealistic to expect the bill to offer enough incentives to colleges to have a significant impact on the nation's foreign-language problem.

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BOSTON GLOBE
10 October 1981

Intelligence agency probed

By Ben Bradlee
Globe Staff

WASHINGTON — If Christopher Boyce and Andrew Daulton Lee, the two Californians convicted of spying for the Soviet Union, are the Falcon and the Snowman, as lionized in a recent book, then Edwin P. Wilson and Francis E. Terpil, the fugitive cloak-and-dagger tycoons, may well be the Eagle and the Knave.

The case of Wilson and Terpil, two former CIA agents indicted here 18 months ago in connection with an elaborate scheme to provide explosives and terrorist training for Libya, is symptomatic of what many Washington officials have begun to view as a growing national problem: the proliferation of former military and intelligence officials who trade on officially acquired skills, secrets and contacts to carve out highly prosperous, if morally dubious, niches for themselves in the private sector — often by dealing with avowed enemies of the United States, like Libya.

Until recently, at least, Wilson and Terpil were able to parlay a subtle mixture of intrigue, force, deception and business acumen into an ability to make enormous amounts of money. Their case may be an extreme example, but federal officials say that the investigation into the two men's activities has triggered collateral probes into the affairs of other retired, public-sector renegades.

The dimensions of the problem are difficult to gauge, but officials believe it is extensive. In a report on the Wilson-Terpil case, two agents from the US Bureau of Alcohol, Tobacco and Firearms (BATF) concluded: "The United States, in effect, has become a major supplier of [military] hardware and technology in support of worldwide terrorism. Former Central Intelligence Agency personnel, military Special Forces and other personnel combine to supply products

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employees of record in the federal "intelligence community" at 148,000. Officials believe that this talent pool, which does not include thousands more who work on a contract basis, constitutes a dangerous nucleus for the potential pursuit of private skulduggery.

It is the Wilson-Terpil case that is serving as the springboard for a reform movement to rein in the renegades. Though government has been slow to respond — the FBI and the CIA were informed of the pair's Libyan dealings in 1976, four years before they were indicted — there is now every indication that Washington officials, prodded by growing press attention, intend to make the case something of a cause celebre.

On Sept. 17, the House Select Committee on Intelligence announced that it was conducting an investigation of Wilson's and Terpil's doings that would likely result in full-scale hearings. The following week, the Justice Department formed a special task force to coordinate the ongoing investigation, which involves six FBI field offices, three US Attorneys' offices, the BATF and the US Customs Service. A federal grand jury is expected to hand down more indictments in the case.

Last week, the Senate Intelligence Committee, upstaged by its counterpart in the House, heard closed-door testimony on the case from Deputy CIA Director Bobby Ray Inman and from Mark M. Richard, the deputy assistant attorney general in the Justice Department's criminal division, who is in charge of the task force.

A spokesman for the Senate committee said last Friday that Sen. John H. Chafee (R-R.I.) would convene a hearing on Oct. 28 to pursue the question of how many people beside Wilson and Terpil could be considered foreign agents.

The White House has also become involved. National Security Adviser Richard V. Allen recently held a meeting with key prosecution witness Kevin P. Mulcahy, a former CIA intelligence analyst and Wilson-Terpil business associate who originally tipped authorities to his cohorts' activities in 1976. Mulcahy has accused the government of foot-dragging, but he now says he was assured by Allen that authorities view the case as important.

NEW YORK TIMES
9 OCTOBER 1981

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More U.S. Lie Tests Asked to Widen Data Access

By JUDITH MILLER
Special to The New York Times

WASHINGTON, Oct. 8—The Reagan Administration is weighing yet another proposal that would broaden the use of so-called lie detectors to provide thousands of Federal officials with access to highly classified intelligence information, according to Administration officials.

The officials said that several months ago a subcommittee of the Director of Central Intelligence's Security Committee asked various executive agencies to evaluate expanded use of lie detectors or polygraphs.

An official said that the subcommittee, made up of security officials from several agencies, had proposed expanded use of the machine as a means of strengthening protection of classified information and lowering the cost of Federal screening of employees who see the information.

Similar ideas have been rejected by previous Administrations. The new proposal is termed very preliminary, but it has already generated opposition from officials in the Departments of State, Defense and Justice, the Administration officials said. A Justice Department official said that in his view it was "unlikely" that the Reagan Administration would approve of the move.

A State Department official called the proposal "an outrageous proposition," adding, "Foreign Service officers would never accept this."

At the moment the Central Intelligence Agency and the National Security Agency require employees to submit to such tests periodically. Under the new proposal, polygraph tests would be used first to supplement initial background checks on officials who have access to highly classified information and then to substitute for background investigations routinely conducted after five years of Government service.

The proposal would include those Fed-

eral officials who have access to "sensitive compartmented information"—that is, classified information given only to those who have a demonstrable need for access to it. If the proposal was adopted, it would constitute a sharp expansion of reliance on polygraph examinations for use in security clearances and as a deterrent to unauthorized disclosure of classified information.

How Lie Detectors Are Used

A polygraph records various bodily reactions in response to sets of questions. Its use in government has been controversial, and the value of such tests is a matter of debate among lawyers and scientists.

Although polygraphs are being increasingly employed in investigations by local, state and Federal authorities and by private industry, the Justice Department maintains, for example, that such data should not be admitted in Federal criminal trials because of questions about the tests' reliability.

The security committee makes recommendations to William J. Casey, the Director of Central Intelligence, about ways in which protection of intelligence information can be improved. The Justice Department has not yet made a recommendation to the subcommittee, but one Justice Department official said that there was considerable opposition in the department.

Backed by Intelligence Aides

The proposal is said to have strong support, however, from some current and former intelligence officials. Adm. Bobby R. Inman, Deputy Director of Intelligence and former head of the National Security Agency, has frequently endorsed expanded use of polygraph tests to prevent "leaks" of sensitive information to the press, and of speeding security checks of intelligence officials, which are time-consuming and expensive.

Officials said that Frank C. Carlucci, the Deputy Secretary of Defense and a former Deputy Director of Central Intelligence, has also privately expressed some support for the proposal.

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FPN-CIE-Domestic: 610

504 ROBERT PERRY

WASHINGTON (AP) - DEMOCRATS ARE STEPPING UP CRITICISM OF THE REAGAN ADMINISTRATION'S PLAN TO LET THE CIA SPY ON U.S. GROUPS; WITH ONE CONGRESSMAN SAYING THE AGENCY'S ASSURANCE THAT IT WON'T ABUSE THE NEW POWERS IS NOT ENOUGH.

MEANWHILE, EVEN OFFICIALS IN THE INTELLIGENCE COMMUNITY BEGAN TO SUGGEST THAT THEY WERE NOT UNANIMOUSLY IN SUPPORT OF THE DRAFT PRESIDENTIAL ORDER, WHICH WOULD REPLACE EXISTING RESTRICTIONS ON U.S. INTELLIGENCE AGENCIES.

ONE INTELLIGENCE OFFICIAL WHO ASKED NOT TO BE NAMED, CHARACTERIZED THE DRAFT ORDER AS A WHITE HOUSE DOCUMENT, NOT A CIA PROPOSAL, AND ANOTHER SAID TOP FBI AUTHORITIES BELIEVED THE DRAFT WENT FARTHER THAN NECESSARY IN DROPPING CURRENT RESTRICTIONS.

AT A TWO-HOUR CLOSED MEETING WEDNESDAY, THE HOUSE INTELLIGENCE COMMITTEE PRESSED CIA DEPUTY DIRECTOR BOBBY R. INMAN FOR JUSTIFICATIONS FOR THE PLAN, WHICH SOURCES SAID WOULD GIVE THE CIA ITS FIRST AUTHORITY TO INFILTRATE AND INFLUENCE U.S. GROUPS.

EMERGING FROM THE MEETING, REP. ALBERT CORE JR., D-TENN., DESCRIBED THE REAGAN DRAFT ORDER AS "FLAWED" AND SAID HE HAD CALLED FOR THE PROPOSAL TO BE MODIFIED BEFORE IT IS FORMALLY ISSUED.

"IT RESOLVES VIRTUALLY EVERY CLOSE QUESTION (BETWEEN CIVIL LIBERTIES AND THE POWERS OF INTELLIGENCE AGENCIES) IN FAVOR OF THE INTELLIGENCE COMMUNITY," GORE SAID.

"IT IS NOT COMPLETELY REASSURING FOR THE EXECUTIVE BRANCH TO SAY THEY HAVE NO INTENTION OF USING THE NEW AUTHORITY IN AN ABUSIVE WAY," HE ADDED. "HISTORY HAS TAUGHT US IN THE UNITED STATES TO TRUST IN THE RULE OF LAW AND NOT OF MEN."

REP. EDWARD P. BOLAND, D-MASS., COMMITTEE CHAIRMAN, SAID INMAN HAD PROMISED ANSWERS BY NEXT WEEK TO A NUMBER OF QUESTIONS PRESENTED BY COMMITTEE MEMBERS.

14 "THERE ARE RESERVATIONS; PENDING THEIR ANSWERS; WITH THE PLANS FOR
CIP DOMESTIC SURVEILLANCE; WHY IT'S NEEDED; WHEN WOULD IT BE USED,"
20 ROLAND SAID.

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ON PAGE I-10

LOS ANGELES TIMES
8 OCTOBER 1981

Plans to Ease Reins on Intelligence Agencies

By ROBERT C. TOTH and RONALD J. OSTROW, Times Staff Writers

WASHINGTON—Congressional Democrats have challenged more than a half dozen of the Reagan Administration's proposed guidelines intended to loosen the reins on the intelligence community, charging Wednesday that the proposals would enable the CIA again to conduct covert actions without presidential approval.

Opponents to the guidelines contend that the draft proposal, which has been put forward and defended as the Administration's considered position, would "significantly weaken the mechanisms" inside the government that were intended to preclude repeats of past abuses by the Central Intelligence Agency.

After two weeks of often heated, closed-door arguments between Deputy CIA Director Bobby R. Inman and congressional intelligence committees, there were no signs that the Administration is prepared to compromise on any of the disputed issues.

A senior intelligence official maintained that the new rules to govern agency operations are, taken as a whole, substantially the same as the existing ones adopted by former President Jimmy Carter in 1978.

The CIA still will be barred from electronic eavesdropping on Americans, he said, and some sections of Carter's Executive Order 12036, the applicable regulation, are dropped

mostly because they are redundant, prohibiting actions already forbidden by statute.

A CIA spokesman complained that draft provisions "have been selectively released to make the biggest impact. They are unbalanced. The same restraints against violating civil liberties are still there as in the previous executive order."

Inman argued before the congressional committees that the criticisms of the new draft—the third version since the Administration took office—were based on "worst case" interpretations and that the intelligence community would not return to intrusive activities violating civil rights.

But Sen. Walter D. Huddleston (D-Ky.) complained the draft nonetheless "opens the door for possible violations, perhaps not by this Administration but in the future. These we must avoid," he said in an interview.

Congressional Power Limited

In fact, Congress does not have the power to formulate or reject any language in an executive order. It can prohibit by law any activities authorized by the order, but this would be a very difficult course.

Neither the Administration nor its Capitol Hill opponents have released texts of the draft, apparently in hopes of possibly compromising on language to be finally used. Each side now appears to be citing only the provisions that support its case.

Huddleston, a moderate on the Senate Intelligence Committee, and other sources critical of the new guidelines outlined the major areas of challenge:

—Abolished is the National Security Council policy review committee on intelligence that set foreign collection goals and priorities, reviewed spending and examined the quality of the product. This deletion "suggests that some covert activity can be carried out even without the President giving approval," Huddleston said.

—In the much publicized investigations several years ago, Huddleston said, "We were often unable to find the 'paper trail' of decisions—who made them and how. This was very disturbing since you couldn't assess responsibility. This (Reagan draft) moves us back pret-

Draw Fire

ty close to that kind of situation."

—Increased CIA activity in the United States is authorized, including giving the CIA some responsibilities not now specifically given to the Federal Bureau of Investigation.

—Convert CIA activity in the United States is possible since the section on CIA restrictions drops the word "abroad." Infiltration of U.S. organizations and influencing the policy of such groups would be permitted, with the attorney general's approval.

—Other agencies in addition to those now identified as part of the intelligence community could be ordered to do intelligence work, even covert action, but those additional agencies are not identified. The Commerce Department, or Department of Transportation, might be used.

—The section forbidding the CIA from "contracting out" work to friendly foreign intelligence agencies is weakened. It is now prohibited for the CIA to get foreign agencies to intrude on Americans in the way it cannot do itself.

—Collection of information on any American in the United States is permitted by any U.S. intelligence agency if it relates to the safety of any official person or organization. Critics believe this power should be restricted to the FBI.

The draft also:

—Drops the present standard for conducting physical surveillance of an American aboard, that authorities have reason to believe the person "to be acting on behalf of a foreign power, engaging in international terrorist activities, or engaging in narcotics trafficking."

—Substitutes the approval of the attorney general for the present requirement that the President approve various activities that would otherwise be unlawful under the Fourth Amendment protection against unreasonable search.

—Removes the responsibility of inspectors general and general counsel to certify that all intelligence activities are conducted lawfully.

THE WASHINGTON POST
8 October 1981

Answers Promised on CIA Spying Plans

STATINTL

Associated Press

The Reagan administration, pressed yesterday by the House Intelligence Committee for more justification for its plans to allow the CIA to spy on U.S. groups, promised answers to a number of committee questions by next week.

After a two-hour closed-door briefing by CIA Deputy Director Bobby R. Inman on a proposed presidential order, committee Chairman Edward P. Boland (D-Mass.) said, "There are reservations, pending their answers, with the plans for CIA domestic surveillance; why it's needed, when would it be used."

Boland said Inman and CIA general counsel George Clark promised answers by next week.

As more Democrats joined in criticizing the proposed order, one intelligence official characterized the draft order as a White House document, not a CIA proposal. At another intelligence agency, a top official, who asked to be unidentified, indicated that some intelligence officials felt the pro-

posal went further than necessary in dropping current restrictions.

If signed by President Reagan, the order would replace one issued by President Carter in January, 1978, to govern the conduct of U.S. intelligence agencies.

Government sources have said the Reagan proposal would give the CIA its first authority to infiltrate and secretly try to influence U.S. groups if the attorney general ruled that constitutional rights would not be violated in the process.

Emerging from the briefing, Rep. Albert Gore Jr. (D-Tenn.) called the Reagan draft order flawed, and said he hoped it would be modified before it is issued formally.

"It resolves every close question [between civil liberties and the powers of intelligence agencies] in favor of the intelligence community," Gore said.

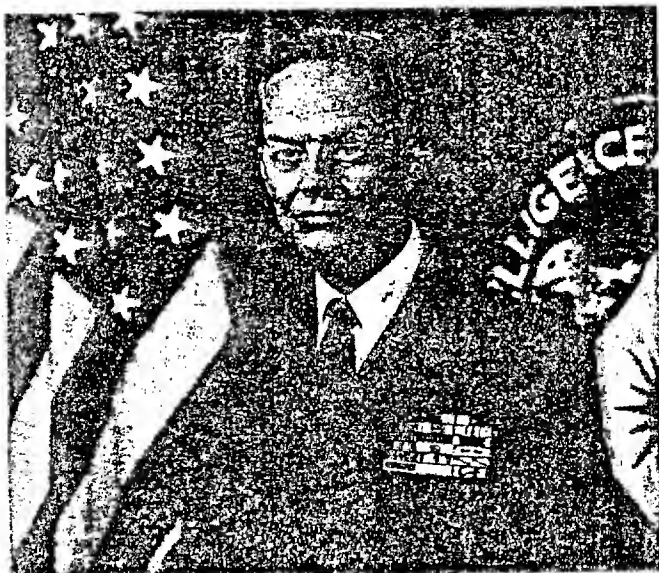
CIA spokesman Dale Peterson has argued that the draft order contains adequate protections for civil liberties.

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Washington Whispers.

Morale at the Central Intelligence Agency, according to officials there, has hit an all-time low. The reason: Relations between top executives have been poisoned by suspicion on the part of CIA Director William Casey that there was a conspiracy within the agency to dump him in favor of Deputy Director Bobby Inman, a career intelligence specialist.



Adm. B. R. Inman, USN
Deputy Director
Central Intelligence Agency

THROUGHOUT THIS NATION'S history, we have understood the need for first class intelligence in periods of tension or danger. Now is such a time. In the 1980s, U.S. intelligence will be needed more than ever to provide vital support to our national security processes. The challenges to this nation and to U.S. intelligence will be large ones.

Intelligence is important because, in a very real sense, it acts as the senses of our nation's government—our eyes, ears, etc. Intelligence can sharpen our vision, increase our understanding and aid in making wise decisions. To allow this, however, intelligence must be timely and accurate. There are few jobs more important to our country than to recognize the earliest indications of future international problems and to alert our national leaders quickly. And there are few tasks more important than to find and explain the details of potential foreign conflict, challenges to our economy, or, thankfully, the fact of continued peace. The importance of this work transcends politics, and professional intelligence officers are non-partisan servants of our society. Their calling is as noble as that of the professor, businessman or diplomat.

The major challenges to U.S. intelligence in the 1980s will continue to be those that developed since the catastrophic start of World War II:

- The increasing diversity of the world, including the steady emergence of the USSR as a powerful and hostile force;
- The technological revolution in Western society and in the intelligence profession as well;
- The recognition that intelligence can help more areas of government than just diplomatic and military issues;
- The realization, as a result of the above points, that there are more subjects about which we need intelligence;
- The glut in data, with the result that important information is not only harder to find but also harder to sort;
- The need for support structures, including communications, that span the earth when and where we need them.

In addition to these challenges, U.S. intelligence has had to cope with increasingly persistent attention by the news media and has had to learn how to interact with Congress, both as a user of finished intelligence and as an overseer of its performance.

At the same time we deal with these on-going challenges, we have lesser ones to face as well. Although less critical, they are vexing nonetheless because many of them are the historic foundations of intelligence as a profession. One example is finding and retaining the highest caliber people, while at the same time developing and maintaining our professional skills, such as foreign languages. Another example is the protection of our intelligence sources and methods against penetration by the intelligence services of foreign governments. And a third is the judicious maintenance and protection of the great trust that this nation places in our use of secrecy within a democracy of laws and personal freedom.

After a decade of directed searching, and finding, intelligence capabilities which we ostensibly could do without, we now have an Intelligence Community too lean in many ways. We face pacing questions—what do we need today, and what will we need in the latter half of the decade? These are not easy questions. As we struggle with them, we will have to recognize that all of the basic arenas of U.S. intelligence need attention and strengthening—collection, production, counterintelligence, covert action and support. Strengthening U.S. intelligence, or rebuilding where necessary, will not occur in just a few weeks; but if we hope to be better in the 1980s, then we must start today. As we address these questions, knowing that we will be competing for resources against other important programs in the government, we need to plan wisely and to articulate our programs well. As we do so, we will create and maintain the non-partisan support for high quality intelligence that the Executive Branch, the Congress, and the American people need and deserve.

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